

## Town Manager's Budget Message

TO: George Fitch, Mayor  
Members of Town Council

FROM: Kenneth L. McLawhon  
Town Manager

DATE: March 18, 2005

In accordance with the Town of Warrenton's Town Charter and Code, the following is submitted for Fiscal Year 2005/2006. The budget contained herein presents the fiscal plan for the operation of the Town for a period of twelve months. The General Fund budget represents the first section and continues to be supported by local tax revenues, fees, and state reimbursements which are necessary to provide local services. Second is the Proprietary (Enterprise/Utility) budget which is intended to be financed from revenues generated by customers or user fees associated with the provision of water and wastewater services. The Town's real estate owners will wish to note that this financial plan continues to be supported by a three (.03) cents per \$100 of assessed value real estate tax rate.

The Town continues to maintain an exemplary level of service in each of its departments such as public works, public safety, utilities, planning/zoning, street maintenance, refuse/recycling collection, administration, and truly continues to realize an admirable level of efficiency and effectiveness.

This year's proposed General and Enterprise budgets:

- Maintain the existing real estate tax rate of \$0.03 per \$100 assessed value
- Maintain the existing utility rate structure.
- Undertakes important Capital Improvements Projects

Each fund's budget will also include a reserve equal to fifteen percent (15%) of the fund's total expenditures. This reserve, adopted by Council in December 1998, sets aside an additional safeguard and is not available for appropriation.

	Amended Budget FY 2004	Adopted Budget FY 2005	Proposed Budget FY 2006
General Fund Operations	\$5,530,167	\$5,682,753	\$6,415,126
Water/Sewer Fund Operations	\$3,669,103	\$2,909,219	\$3,060,796
General Fund Transfers to Reserves & Capital Projects Fund	\$2,609,132	\$2,992,488	\$2,729,733
Water/Sewer Fund Transfers to Reserves & Capital Projects Fund	\$2,545,091	\$1,540,292	\$949,648
Capital Projects Fund	\$5,201,639	\$105,800	\$485,025
Water/Sewer Capital Projects	\$2,271,867	\$945,044	1,430,563

### **Issues that Transcend the Budgets.**

All departmental budgets are continually developed with the Town's guiding principles, as found in the Warrenton July 2004 Strategic Plan, in mind. Specifically to:

- Keep Warrenton unique.
- Town government should be operated as a business.
- Increase recreational and leisure choices.
- Support "Responsible Growth to Build Out".
- Preserve a polished and vibrant historic downtown.

The Town continues to remain optimistic about meals tax, sales tax and other business related discretionary revenues. Nevertheless, this proposed budget endeavors to limit expenditures where possible. It further ensures that revenues remain sufficient to meet operational requirements associated with current organizational realities and those which will be associated with several new facilities.

## Health Insurance

The Town's current insurance carrier MAMSI, administered by VACO Insurance Programs, response to the Town's Request for Proposal dated December 20, 2004 yielded a positive proposal which is consistent with the Town's recent history. The renewal maintains the current level of benefits Town employees enjoy with a lower than industry percentage increase of 9.5% across the board. In addition to the standard HMO and optional POS program, a new, more benefit enriched "optional" plan will be offered. The same percentage of premiums as currently paid by the Town's employees should be kept in place for FY2006. In this way both the Town and the employee share the cost of the rate increase as shown in the table below. If an employee wishes to "buy up" to the current point-of-service plan or high option plan, that alternative would be made available.

The following table represents both the Town and Employee cost for the various health and dental insurance offerings for FY 2006:

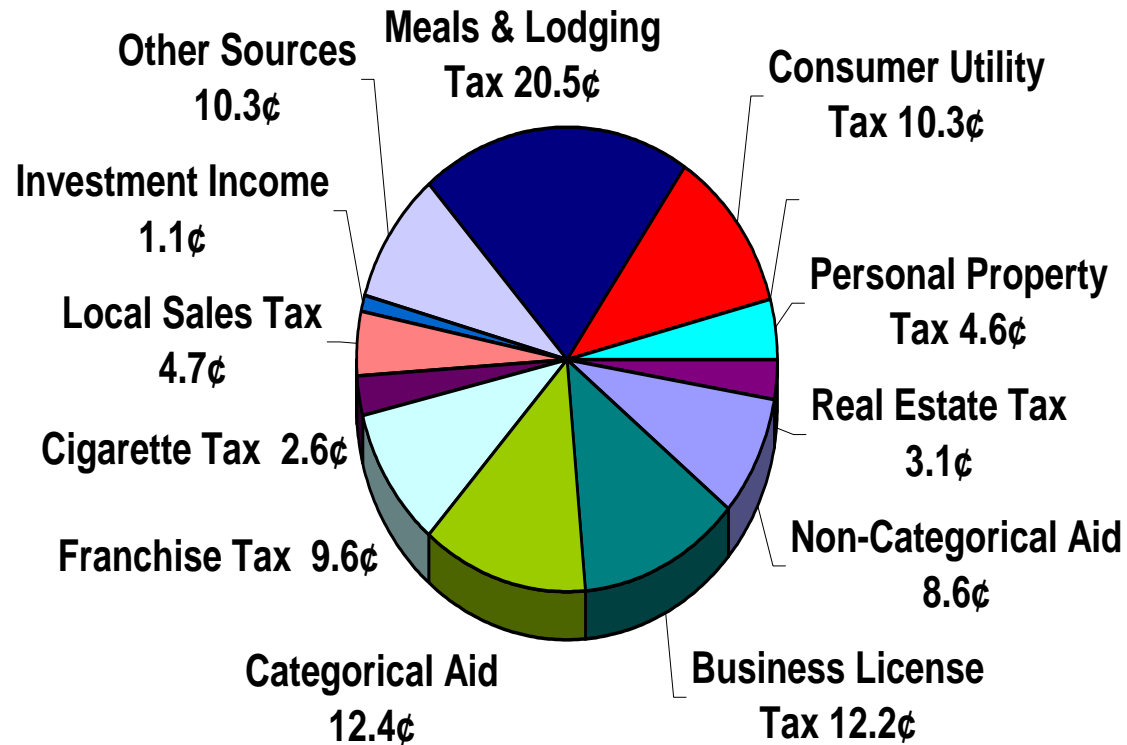
Plan/Coverage	Current			Proposed		
	Total	Town Share	Employee Share	Total	Town Share	Employee Share
HMO – Basic						
Single	302.03	302.03	0	330.27	330.27	0
Double	567.34	486.94	80.40	620.50	532.60	87.90
Parent/Children	747.40	632.16	115.24	817.43	691.41	126.02
Family	860.59	724.31	136.28	940.94	791.98	148.96
POS – Premium						
Single	316.74	302.03	14.71	346.37	330.27	16.10
Double	595.27	486.95	108.32	651.09	532.61	118.48
Parent/Children	784.15	632.17	151.98	857.67	691.43	166.24
Family	902.20	724.32	177.88	986.51	792.01	194.50

### General Fund Budget

As shown on the proceeding pages, the FY 2006 general fund's operational budget is \$6,415,126, or 12.9% above the FY 04/05 operational cost of \$5,682,753 due primarily to the addition of one senior level position and one senior administrative position, and related benefits, and an increase in participation in the Town's group health insurance program. It should also be noted that a significant increase in projected Park Maintenance costs, and new and increased requests for funding from non-profit organizations account for a portion of increased expenditures for this period.

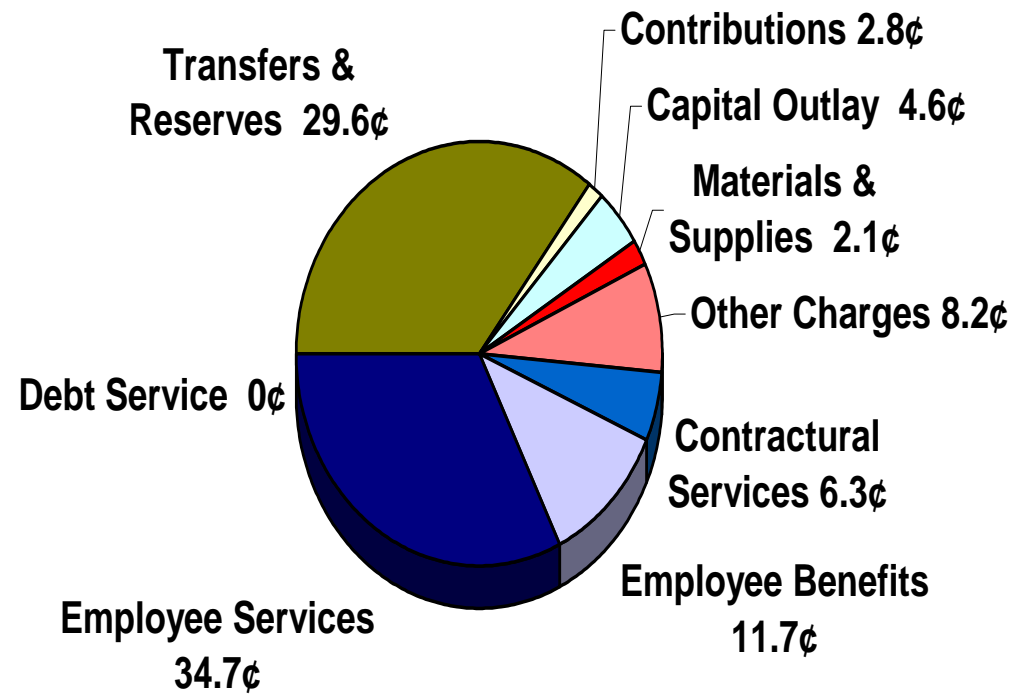
Summary of General Fund Revenues Fiscal Years 2004 Through 2006			
	2003-2004	2004-2005	2005-2006
General Property Taxes	\$639,953	\$ 635,391	\$713,800
Other Local Taxes	5,041,190	5,437,203	5,599,800
Licenses, Permits & Fees	277,155	370,817	453,087
Fines & Forfeitures	91,000	91,000	130,000
Revenue from Use of Money/Property	102,570	102,879	102,270
Miscellaneous Revenue	233,471	200,150	215,905
Non-Categorical Aid	669,751	717,266	792,279
Categorical Aid	1,008,165	1,120,535	1,137,718
Transfers & Reserves	76,044	0	0
Total General Fund Revenues	\$8,139,299	\$8,675,241	\$9,144,859

## Source of \$1 of General Fund Revenue



Summary of General Fund Expenditures Fiscal Years 2004 Through 2006			
	2003-2004	2004-2005	2005-2006
Legislative Department	\$114,580	\$137,066	\$157,094
Executive Department	140,646	152,090	206,084
Legal Services	103,357	89,190	95,338
Finance Department	321,661	312,875	353,957
Memberships & Dues	5,079	5,381	5,367
Data Processing Department	127,153	130,003	127,090
Electoral Board & Officials	5,854	0	5,700
Public Safety Department	2,057,003	2,117,379	2,295,742
Public Works Department	1,917,713	2,023,316	2,202,005
Contributions	54,700	90,712	152,067
Parks & Recreation	138,320	123,920	290,203
Planning & Community Development	448,505	418,821	524,479
Debt Service	10,595	0	0
Transfers & Reserves	2,694,132	3,074,488	2,729,733
Total General Fund Expenditures	\$8,139,299	\$8,675,241	\$9,144,859

## Use of \$1 of General Fund Revenue



## Water and Sewer Fund Budget

The Water and Sewer Fund operating budgets increased slightly over the prior year from \$2,909,219 to \$3,106,796 due in part to the addition of a senior level utilities engineer and related benefits.

### Summary of Water and Sewer Revenues Fiscal Years 2004 Through 2006

	2003-2004	2004-2005	2005-2006
Permits Privilege Fees & Licenses	\$10,400	\$13,000	\$11,900
Revenue from Use of Money/Property	203,000	219,524	231,964
Charges for Services	3,566,324	3,747,619	3,995,075
Miscellaneous Revenue	155,733	187,912	187,368
Grant Revenue	0	0	0
Non-Revenue Receipts	3,623,750	1,226,500	1,014,700
Transfers & Reserves	926,855	0	0
Total Water/Sewer Fund Revenues	\$8,486,061	\$5,394,555	\$5,441,007

### Summary of Water and Sewer Expenditures Fiscal Years 2004 Through 2006

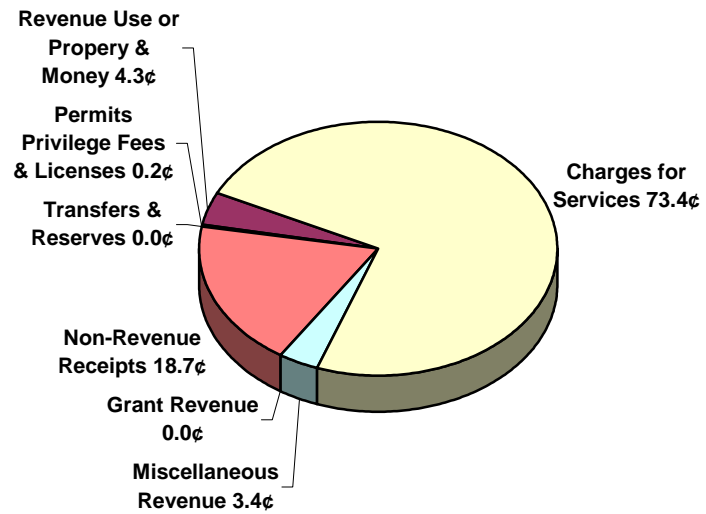
	2003-2004	2004-2005	2005-2006
Meter Reading	\$257,869	\$269,392	\$235,884
Source of Supply	545,852	579,254	654,251
Transmission & Distribution	420,597	447,689	456,251
Wastewater Plant Operation	1,039,570	944,150	1,026,817
Water/Sewer Administration	586,464	632,734	687,593
Reserve for Contingencies	36,000	36,000	46,000
Debt Service	782,751	0	0
Subtotal	\$3,669,103	2,909,219	3,106,796
Capital Projects	2,271,867	945,044	1,430,563
Transfers & Reserves	2,545,091	1,540,292	903,648
Total Water/Sewer Fund Expenditures	\$8,486,061	\$5,394,555	\$5,441,007



## Summary

The details of each department and section follow the respective narrative for that department or section.

**Source of \$1 Water & Sewer Fund Revenue**



**Use of \$1 of Water & Sewer Fund Revenue**

